Owing to prior commitment, Pakistan's offer to hold discussions on February 7 & 8,2008 could not be taken up. However, subsequently a Ministerial-level meeting between India and Pakistan on the IPI Project has been held in Islamabad on April 25, 2008. During the meeting, issues relating to project structure, transportation tariff and transit fee were discussed. Consensus has been arrived on the principles on which the bilateral agreement on these issues will be concluded.

(e) No official communication has been received in this regard.

Shifting to alternate fuel

4256. SHRI MAHENDRA MOHAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government is aware that Brazil has cut at least one third of its oil requirement and shifting to alternate fuel;

(b) if so, whether Government has done any study as to how much it can cut on customary fuel by shifting to alternate fuels like ethanol;

(c) if so, the details thereof; and

(d) how much ethanol is right now mixed and what are the prospects in the production of ethanol in the Country?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Brazil has been promoting the use of ethanol as a blend with gasoline for many years and is considered to be the leading country in successfully utilizing ethanol as a fuel in the automotive sector.

(b) and (c) In an effort to supplement the consumption of petroleum product particularly for vehicular applications and also to curb emission, research has been carried out by the Ministry of New and Renewable Energy to explore the possibility of utilizing alternatives for supplementing petrol and diesel. Bio-fuels namely, bio-ethanol and bio-diesel; hydrogen energy and battery operated vehicles have been identified as potential future alternatives to supplement petrol and diesel. The development of bio-diesel is in a nascent state in India and is presently not been produced on commercial scale. Similarly, the hydrogen energy based systems are still in research and development stage and hydrogen is not being used as a fuel in the country as yet either in vehicles.

(d) At present, 5% ethanol mixed petrol is being sold and total requirement of ethanol for 5% blending in notified States and Union Territories is 60 Crore litre per year which comes out to approx. 1600 KL per day. As against industry's requirement of 180 crore litres of ethanol for a period of three years, the Oil Marketing Companies (OMCs) have been able to contract for 140.4 crore litres and they have so far procured 30.6 crore litres under the programme (as on 15.04.2008). However, the shortfall is due to levies/taxes on ethanol imposed by the different States. If 10% or more blending of ethanol with petrol is introduced then the demand for ethanol would increase proportionately.